

[2 August, 2001]

RAJYA SABHA

RAJYA SABHA

Thursday, the 2nd August, 2001/11 Sravana, 1923 (Saka)

The House met at eleven of the clock. Mr. Chairman *in the Chair*.

ORAL ANSWERS TO QUESTIONS

Economic slowdown

*161. SHRI SURESH KALMADI:
SHRIMATI AMBIKA SONI:†

Will the PRIME MINISTER be pleased to state:

(a) whether Government have analysed the reasons for the economic slowdown during the financial year ending 31st March, 2001, resulting in a GDP of 5.2 per cent;

(b) if so, the details thereof; and

(c) the details of the action programme prepared by Government to give a boost to the present economic situation?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI ARUN SHOURIE): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) A statement indicating the sectoral growth rates (measured in

†The Question was actually asked on the floor of the House by Shrimati Ambika Soni.

terms of gross value added at factor cost) during the years 1999-2000 and 2000-01 is given in Statement-I (See below). All the sectors, except for 'mining and quarrying', have experienced lower growth rate in the year 2000-01 compared to that in 1999-2000. The main reasons for the shortfall in the growth performance, among others, are the continuing slow growth of agriculture, shortfall in public investment and poor governance.

(c) The measures to promote and achieve higher growth *inter alia* include speeding up of agricultural reforms; intensification of infrastructure investment, continued reform in the financial sector and capital markets, and deepening of structural reforms; human development through better educational opportunities and programmes of social security; improvement in the quality of Government expenditure; acceleration of disinvestment process, etc. Policy initiatives announced in the Budget are expected to have a favourable impact on growth during the current year. The Planning Commission is in the process of formulating the Tenth Five Year Plan to address some of these issues in the medium term perspective.

Statement-I

Rate of Growth of Value Added by Economic Activity
(in 1993-94 prices) (per cent)

| Sectors | 1999-2000 | 2000-01 |
|--|-----------|---------|
| 1. Agriculture, Forestry and Fishing | 0.7 | 0.2 |
| 2. Mining and Quarrying | 1.7 | 3.7 |
| 3. Manufacturing | 6.8 | 5.6 |
| 4. Electricity, Gas and Water Supply | 5.2 | 4.7 |
| 5. Construction | 8.1 | 5.5 |
| 6. Trade, Hotels, Transport and Communication | 8.0 | 6.9 |
| 7. Financing, Insurance, Real Estate & Business Services | 10.1 | 9.1 |
| 8. Community, Social and Personal Services | 11.8 | 7.8 |
| GDP at Factor Cost | 6.4 | 5.2 |

Sources: Press Note on Revised Estimates of Annual National Income and Quarterly Estimates of Gross Domestic Product 2000-01 by Central Statistical Organisation.

[2 August, 2001]

RAJYA SABHA

SHRIMATI AMBIKA SONI: Sir, my question was addressed to the Prime Minister. In any case, I have read the reply given to me which States that the reasons for the shortfall in the growth performance are the continuing slow growth of agriculture, shortfall in public investment and poor governance. Sir, when the Government of the day is willing to accept 'poor governance', I would like to know as to who is to be blamed for that. The reason, which is visible to a lay person, — especially, to a lay person like myself—is, the mistakes which are there at the policy-end of the whole thing. So, it is the cumulative effect of wrong policies, the cumulative effect of not taking the point of view of experts and too many lay opinions governing the policy decisions at all levels, unlike how things were when Dr. Manmohan Singh or Shri Pranab Mukherjee were the Finance Ministers; especially, during the period of Dr. Manmohan Singh's Finance Ministership, policies were formulated and carefully fine-tuned, and consultations with experts on economic affairs and other such technical matters were taken. Now, when you say that there is no investment, I would like to tell the Prime Minister that something radical has to be really done. The kick-start of the economy cannot be undertaken by mere cosmetic changes. Of course, yesterday the hon. Prime Minister succumbed to the pressure of his friends, Shri Bal Thackeray and Shri Advani, and withdrew his symbolic resignation. But I would like to ask the Prime Minister: Is he really willing to bring about a dynamic change in the person who is heading the economic affairs ministry, namely, the Finance Ministry, whose only ability, as the House sees it, is his capacity to extricate himself from all charges which are levelled against him and to defend himself. But he is not doing the same to the economy. I would like to know from the Prime Minister, whether he is willing to take a dynamic and bold step by changing the Finance Minister, who is the root-cause for this poor governance...(*Interruptions*)

MR. CHAIRMAN: This supplementary does not arise...(*Interruptions*) It is not a proper supplementary to the question... (*Interruptions*)

SHRIMATI AMBIKA SONI: It arises from the answer given by him, which says, "poor governance". So, the Government acknowledges that poor governance is the root-cause for the sagging economy of this country. So, Sir, I am sure, you would allow me to ask: Who is to be blamed for this poor governance? And, in my mind, as I am a lay person, I cannot pinpoint anyone else except the Finance Minister.

SHRI ARUN SHOURIE: I will answer that....(*Interruptions*)

SHRI DIPANKER MUKHERJEE: You can bail him out.

SHRI ARUN SHOURIE: Sir, I would join the hon. Member in her tribute to Dr. Manmohan Singh's and Shri Pranab Mukherjee's steering of the Finance Ministry. But I completely disassociate myself from the last part of her question. The question of poor governance has been very thoroughly dealt with in a document, —this, probably, escaped the hon. Member's attention—and that is the Mid-term Appraisal of the Ninth Plan. It does not have to do—to the disappointment of the hon. Member—with one Ministry, as the hon. Member has mentioned, but it has to do with the general system of administration in the country, including the State Governments.

Several examples are given in the Mid-term Review from the implementation of development programmes... (*Interruptions*) Just one second, Sir. (*Interruptions*).

SHRI NILOTPAL BASU: Point of order, Sir. He cannot refer to the State Governments here. (*Interruptions*)

SHRI RAJU PARMAR: Don't pass on the buck to the State Governments. (*Interruptions*)

SHRI NILOTPAL BASU: Sir, he can't refer to the State

[2 August, 2001]

RAJYA SABHA

Governments. (*Interruptions*) He is going beyond the limit.
(*Interruptions*)

MR. CHAIRMAN: Let the Minister reply.

SHRI NILOTPAL BASU: Sir, he has to restrict it to the Government of India. (*Interruptions*)

SHRI ARUN SHOURIE: Sir, I am talking on behalf of the Planning Commission of which I am the representative here. We have dealt with this problem in great detail and I would urge the Members to please look at them. The second point that she has made is a good point. She said experts should be consulted. I assure you that experts are being consulted in the same manner as they were being consulted earlier, for instance, in the Planning Commission. Secondly, they are also being consulted in the Prime Minister's advisory groups that have been set up for various sectors. So, to go on saying that it was being done only at one point of time when 'x' or 'y' was the Finance Minister and that it is not being done now, would be completely unwarranted. Sir, so far as her third point is concerned, she is right that it is the cumulative impact of wrong policies. These policies are not just of three years. The central fact which has been brought out earlier and which is emphasised now also, is the shortfall in investment. In the total investment in the Ninth Plan, there is a shortfall of almost 23%. There is 28% shortfall in the public investment. There is almost 20% shortfall in private investment. The reasons for this shortfall are well known and they are the cumulative result of the policies in which we are coming in each other's way from increasing user charges...(*Interruptions*)

SHRI RAJU PARMAR: No, no. (*Interruptions*)

SHRIMATI AMBIKA SONI: You have taken the growth rate back to 1998. That is what you have done.

SHRI ARUN SHOURIE: I am still replying. (*Interruptions*) Sir, I could give precise reasons for these shortfalls in investment and how investment can be revived. Various measures have been spelt out by the hon. Finance Minister and they are being acted upon.

There are further measures and we can discuss these at any stage, if you would like these to be discussed.

SHRIMATI AMBIKA SONI: I am sorry, I thought Mr. Shourie would give a better reply. (*Interruptions*) I have my second supplementary. (*Interruptions*)

श्री अनन्तराय देवशंकर दवे: सभापति जी, मेरा व्यवस्था का प्रश्न है ... (व्यवधान)

SHRIMATI AMBIKA SONI: No, no. There is no point of order. (*Interruptions*) No.

श्री सभापति: क्वेश्चन आँवर में व्यवस्था का प्रश्न नहीं होता। There is no point of order during Question Hour.

SHRIMATI AMBIKA SONI: I have my second supplementary. Sir, the Minister has also said that poor investment is also one of the reasons for slowing down. Everyone knows that less investment would also cause greater unemployment. I don't want to give facts and figures because I am sure the Minister is aware. But they are really shocking. I have them here. It has been projected in the report of the Task Force on Employment, which had Mr. Montek Singh Ahluwalia, that job seekers would increase from 406 million in 1999-2000 to 462.12 million by 2007. Now, this is the force of job seekers that you are going to face in the future. I want to ask you one thing. You just said that the Planning Commission continues to have experts. I want to ask you categorically whether it is not a fact that you have done away with the panel of economic experts — which was there before—in the Planning Commission. I also want to know another thing, and this is a matter of great concern. If the Finance Minister, because of his dream Budget and all that, continues to project high growth rates—like he says that it will be over 6.1%, and then it suddenly comes down—how do you plan to instil confidence in both the domestic and the foreign investor? Naturally, your investment is going to come down, when you give wrong figures, raise hopes and then those hopes come shattering down, whether it is the case of a widow in the UTI or whether it is the retired person in the other small saving schemes. You have really shattered the confidence of the people, the investors, because you have given

[2 August, 2001]

RAJYA SABHA

wrong figures. Are you going to do anything to rectify the figures which are given erroneously time and again by the hon. Finance Minister.

SHRI ARUN SHOURIE: Sir, this is becoming an occasion to attack the Finance Minister. It is not a correct thing. I would answer the question put by the hon. Member. (*Interruptions*)

SHRI RAJU PARMAR: She is quoting the figures given by the Finance Minister. (*Interruptions*)

SHRIMATI AMBIKA SONI: I have all the reports. I have studied them and come here.

SHRI ARUN SHOURIE: Sir, the Government itself, through the Central Statistical Organisation, makes estimates of the growth rate in the Gross Domestic Product. It is true that as soon as the figures are available, they were put out, and it came to 5.2. It is a disappointment to everybody, but to say that the earlier projections were based on the forecasts made on the basis of the figures that were available at that time is wrong. There is absolutely no question of trying to hide anything at all.

DR. MANMOHAN SINGH: Who makes the tax estimates?

SHRI ARUN SHOURIE: The second point that was made was, whether it is a fact or not that the Economic Advisory Council in the Planning Commission has been abolished. It has been shifted to a place where, probably, much more effective action can be taken, and that is with the Prime Minister himself. Those experts who used to be consulted are now advising the Prime Minister directly. They are drawn from all walks of life. As far as the Planning Commission is concerned, working groups on each one of the sectors, as the distinguished previous Deputy Chairmen knows, are continuing. They seek the expertise of everyone. She has quoted the report of Montek and others, which consisted of experts from within and outside the Government.

Similarly, the same kind of things are being done on biotechnology, on hill areas development. Everybody who has ideas to contribute is being reached out and we get their views on the formulation of the

report. I would earnestly request the Members to please look at the publications which are being distributed and reports which are being filed in the Parliament Library itself (*Interruptions*)

SHRI HANSRAJ BHARDWAJ: You are telling us as if we are school boys.

SHRI ARUN SHOURIE: You schedule a discussion on these matters at any time. (*Interruptions*)

SHRI HANSRAJ BHARDWAJ: The Prime Minister is the Chairman of the Planning Commission. (*Interruptions*) What are you telling the House?

SHRI RAVI SHANKAR PRASAD: Sir, the Minister, in his reply, has given the reasons for the slowdown and also emphasised the need for more reforms. If I look at the annexure enclosed with the answer, he has outlined some of the subjects—seven in number—and a majority of them falls in the jurisdiction of the States, as far as the constitutional scheme of things is concerned. Therefore, any attempt at reforms, perforce, will have to arrive at a consensus with the State Governments. Now, my questions are two-fold. First, what is the level of consensus with the State Governments, as far as reforms in these sectors are concerned? Second, does the Government contemplate making any serious attempt to arrive at a proper consensus on these issues?

SHRI ARUN SHOURIE: That is a very important point which requires the cooperation of all the persons who have the responsibility, either as the Opposition party or who are in office. For that very reason, for instance, the Prime Minister had convened a meeting of the Chief Ministers and Power Ministers on power sector reforms, which is one of the main sectors which requires attention today. The annual losses of the State Electricity Boards are Rs. 22,000 crores. For that reason, Mr. Prabhu has had meetings with the State Power Ministers. The Prime Minister had meetings with the Chief Ministers.

On WTO and its impact on agriculture, we convened a meeting which lasted the entire day, in which other reforms relating to the

[2 August, 2001]

RAJYA SABHA

agriculture sector were also discussed with the Chief Ministers. Sir, as you know, the forum where these policies are discussed and reform proposals are considered is the National Development Council, where all the State Chief Ministers come. The next meeting of the NDC has already been scheduled for 1st September. Sir, it is a fact that all the State Governments are confronted with the same problem, as the Centre is. Therefore, I personally find a much greater consensus among them, in practice, than we find in voluble debates at various fora.

DR. MANMOHAN SINGH: Mr. Chairman, Sir, the hon. Minister has referred to the shortfall in public investment and poor governance; and what has happened in the last three years in matters relating to the presentation of the Budget, I think, is a shocking instance where the Government has tried to mislead the House and mislead the country. In particular, look at what the Finance Minister told the two Houses of Parliament on February 28th about the revised estimates of tax receipts. Now it turns out that within three months, the actual tax receipts have turned out to be Rs. 10,000 crores lower than what the Finance Minister has projected. The Minister said that the CSO makes the estimate of the Gross National Product. I admit that. But who makes the estimates of tax receipts and expenditure statement? These are, directly, the responsibility of the Finance Ministry, and we have seen, for the last three years, a steady misleading of the House when it comes to estimations of tax revenue or estimation of expenditure. What more poor governance can you have? The Central Board of Customs and Excise is responsible for collecting 70% of the revenues of the Central Government, and you have a case where you appoint a person as Chairman of the Central Board of Customs and Excise, then you put him behind the bars, letting loose the CBI. Can you have trust in a Government whose biggest tax functionary is involved in such things? You have the flagship of India, the Unit Trust of India. You put a person as incharge and then you put him behind the bars. What confidence can the country have in the quality of governance this Government has provided?

SHRI ARUN SHOURIE: Sir, the same trend is continuing—the

question becoming an occasion for interruption. Sir, the shortfall in revenues this time is because of two factors. One is the shortfall of about Rs. 2,000 crores in the first three months in customs because of the general slowdown in imports. (*Interruptions*)

DR. MANMOHAN SINGH: If you accuse the Chairman of CBEC of a crime, what confidence can the country have in tax collection machinery?

SHRI ARUN SHOURIE: I don't want to join issue; because, then, you will force me to use a sentence that you will not like to hear. I could then certainly use a sentence of that kind, but I don't want to use it. Sir, with due respect, I will answer. (*Interruptions*)

SHRI DIPANKAR MUKHERJEE: What is he answering? (*Interruptions*)

SHRI ARUN SHOURIE: Dr. Manmohan Singh is right about the shortfall in revenue. It is about Rs. 2000 crores, because of customs, as I said, and in corporation tax, it is almost Rs. 3000 crores. This is not because of a wrong estimate or a contrived estimate. It is because of the slowdown, as I mentioned earlier, which I have completely and candidly said in my reply.

Coming to the second point, I heard the debate in this very House, the debate, Mr. Chairman, on the person who was put behind the bars. I know that the Minister of Finance was interrupted and not allowed to complete his reply on UTI; you have been witnessing it, Sir, how his reply was being interrupted in the House and he was not allowed to continue; therefore, the same insinuation comes now.

MR. CHAIRMAN: We shall try to sort it out. (*Interruptions*)

SHRI ARUN SHOURIE: They are reverting to the same thing, Sir.

SHRI DIPANKAR MUKHERJEE: What we wanted him to say, he is not saying. We are not going to be cowed down or dictated to by the Minister (*Interruptions*).

SHRI KRISHNA KUMAR BIRLA: Sir, the GDP for year ending March 2001 was only 5.2 which was the lowest in the last three years.

[2 August, 2001]

RAJYA SABHA

This was mainly owing to decline in the agricultural growth rate which was—4.6 per cent. The year 2000-01 was bad, but, the current year 2001-02 shows no signs of improvement. For the month of May, the growth rate of industrial production was only 1.9 per cent and for the months of April and May the figure is only 2.6 per cent. A large number of industries are starving for orders. The economy is in a pretty bad shape.

This year the foodgrain production is expected to be about 212 million tonnes which will be an all time record. This should certainly help the economy to improve. But an equally important factor is regarding the Government spending, particularly on infrastructure. The Government spending has been exceptionally poor. In view of this, part (a) of my question is: It is reported that Rs. 50,000 crores are lying unutilised with various Ministries. This is hurting the economy. What are the reasons for this money lying idle in these Ministries and what steps does the Government propose to take so that this unutilised money is spent speedily keeping in view the Budget provisions?

As stated earlier, special efforts have to be made to spend money on infrastructure. The Surface Transport Ministry has got Rs. 5000 crores under Pradhan Mantri Gram Sadak Yojana and Rs. 1000 crores collected as cess for State road making, a total of Rs. 11000 crores have to be spent on road construction.

MR. CHAIRMAN: Birlaji, you put a specific question. ...*(Interruptions)*...

SHRI KRISHNA KUMAR BIRLA: Sir, I am coming to the question. The Government spending on all these projects is very poor. My question is how much money has been spent against these sanctions and will the Government be able to achieve the target of spending on infrastructure projects by the end of the current financial year?

SHRI ARUN SHOURIE: Sir, Gen. Khanduri informs me that as far as road construction is concerned, it is one year ahead of schedule in regard to the Quadrilateral and other programmes. I know for a fact personally that the Minister of Finance has been holding

meetings with each of the critical Ministries that are engaged in spending money and writing them to expedite their capacity to implement the projects of this type. For the last one year, this has been going on. Thirdly, Sir, the hon. Member correctly mentioned that this year the monsoon in 20 out of 37 Sub-Divisions is almost normal or above normal. It is akin to the 1998-99 monsoon when we had foodgrain production of 203 million tonnes. This itself will become a very important input in reviving the economy within a few months. Sir, with regard to the next point, I fully agree with the hon. Member that we must improve our capacity for implementation, on all hands. For instance, Shanta Kumar's programme for distribution of food in the Food for Work Programme. Actually there are 60 million tonnes of food available now and that kind of work has to be implemented. I am not saying by the State Governments alone and passing on the responsibility to the States. It has to be done together and it is done only by gearing up the administrative mechanism. The suggestion which Mr. Birla made would actually get through. ...*(Interruptions)*... As regards Rs. 50,000 crores lying unutilised with Ministries, I will really find out and let the Member know because this is news to me.

सरदार बलविन्दर सिंह भुंडर: आनरेबुल चेयरमैन साहब, मिनिस्टर साहब ने प्रोथ रेट के लिए दो रीजन्स दिए हैं—“Policy initiatives announced in the Budget.” और दूसरा रीजन्स दिया है “The Planning Commission is in the process of formulating the Tenth Five Year Plan.”

मैं यह जानना चाहता हूँ कि बजट के बाद मार्च से जून तक के क्या कुछ आंकड़े बतायेंगे जिनसे पता चल सके कि इकनॉमी का प्रोथ रेट बढ़ा है? सेकेंड, प्लानिंग कमीशन ने टेंथ प्लान में जो नये इश्युज लिए हैं क्या उनके बारे में भी बतायेंगे कि वे कौन से इश्युज हैं क्योंकि जो प्रैजेंट लिए गये हैं, उनसे तो कोई फर्क नहीं पड़ा है। मेरा तीसरा प्रश्न यह है कि जो मेजर पाइंट बताया गया है वह इकनॉमी के स्लो डाउन का रीजन्स है, वह एग्रीकल्चरल की प्रोथ के स्लो डाउन का दिया है लेकिन जो आंकड़े करंट सीज़न के दिये जा रहे हैं, 212 मिलियन के करीब—यह कहा जा रहा है कि इस बार पीक पर जाएगा लेकिन मैं यह कहना चाहता हूँ कि पीक पर जाने के बाद भी एग्रीकल्चर प्रोडक्शन का रेट डाउन जा रहा है, फार्मर्स की कैपेसिटी डाउन जा रही है। इसलिए अगर वह

[2 August, 2001]

RAJYA SABHA

कैपेसिटी नहीं बढ़ेगी तो ग्रोथ रेट कैसे बढ़ेगा? इसका जो लिंक है, उसको आप कैसे ठीक करने जा रहे हैं ताकि कंट्री का इकनॉमिक ग्रोथ रेट बढ़ सके?

SHRI ARUN SHOURIE: Sir, it is a very important question. Actually, this is the second year in which the agricultural growth, as the hon. Member has rightly said, has been much below expectation; and this year, it has, actually been only about 0.2 per cent. There is an important point in this, because the outlays are continuing. The difficulty is, agricultural growth in Uttar Pradesh, Bihar and Madhya Pradesh has just not taken place and it has come to a plateau in rich areas like Haryana, Punjab and even in Andhra Pradesh. There are many structural problems behind this. If we continue to give free power, and that leads to over exploitation of ground water, if we continue to subsidize chemical fertilizers or pesticides and then complain about poisoning of soil then the problem to which the hon. Member was pointing will certainly exacerbate.

The second thing he asked was, "Are there any indications of an early turnaround"; and so on. I do not want to say anything which would become the basis for criticism later on, of giving false assurances. But Sir, there are two or three things to bear in mind. One of them is, as I mentioned to you, the monsoon this year—not by the design of the Government, but for other reasons—has been much better than the last two years.

The second point I noticed from the figures, from the Reserve Bank of India, is that the credit offtake in June and July indicates a reversal of the declining trend for non food credit that has been going on for the previous two quarters.

The third point is, there is a possible softening of the oil prices, which was one of the major blows to economic activity last year.

The fourth point is, several fundamentals continue to be strong, fundamentals on which we can build. These are: The inflation rate continues to be moderate. It is stable. Interest rates—this has been done, by design, by the Reserve Bank of India and by the Government—have been lowered. We have high foreign exchange reserves. You have 60 million tonnes of foodgrains, with which you

can do many things. In fact, in the Information Technology Sector—the American economy's growth rate is now only 0.7 per cent, U.K. is only 0.3 per cent—because of the slow-down in the world, which in turn, affected our IT sector, we are taking steps to actually, reorient itself to take advantage of the slow down elsewhere, which would mean that those consumers of IT services would want lower cost services, and our sector is being encouraged to look for those opportunities. So, there are many things in it.

SHRI PRANAB MUKHERJEE: Sir, the hon. Minister, while replying to questions, and specially, in response to the supplementaries of Dr. Manmohan Singh, pointed out, "Yes. There has been a shortfall in revenue, and it is mainly on account of customs, to the extent of Rs. 2,000 crores." May I know from the hon. Minister whether can he give us instance of a single year—1998-99, 1999-2000 and 2000-01—where he had not to revise his revenue projections, to a lower level from the Budget Estimates to the Revised Estimates? You give me instance of a single year since then in which you had surpassed your revenue target, in toto, taking the entire tax revenue as a whole, or exceeded or matched the revenue projection made at the time of Budget Estimates and you had not to revise it lower, while presenting the Revised Estimates.

The second point is, you have stated that 23—25 per cent less expenditure in the Plan Outlay. Is it not a fact, Mr. Minister, that, again, from 1998-99 till last year not even in a single year—1998-99, 1999-2000 and 2000-01—your Central Plan expenditure was down to the extent of Rs. 10,000 to 14,000 crores each year? So, there is no wonder that you cannot reach these figures; they are available to us and available to you. In this connection, I would like to know from you because you are directly concerned, as the Minister in-charge of Planning that whenever you were allocating the resources and determining the size of the public sector outlay, you are having a fancy figure of IEBER, internal and extra budgetary resources, which can never be matched. Dr. Manmohan Singh is correct that fancy figures are being projected every year. Take any public sector outlay, whether it is road or railways or any other

[2 August, 2001]

RAJYA SABHA

sector, where you have been able to reach the IEBER, internal and extra budgetary resources, you projected at the Budget stage. These are not possible. You are reducing budgetary support for the obvious reason that you do not have money, and you do not want to expand the revenue deficit. But, at the same time, the targets which you are giving to these important public sectors that you raise resources through extra budgetary route, through internal resources, you are unable to do. The expenditure during the whole 9th Plan, you yourself have admitted, is reduced to the extent of 25 per cent. In this connection also, I would like to know from you that one of the major reasons and where the Government is not taking any action, is the rate of domestic savings that reached a high point of 25.6 per cent and after that it is not going up. It is going down. You have to step up the rate of domestic saving, at least, at the level of 27-28 per cent of GDP to reach the projected growth, which the Prime Minister and many of his colleagues are saying. I do agree with the figure. In order to reach the desired level of development, 7-8 per cent growth is absolutely necessary. But mere intention is not enough. Unless we match it with the resources available. How you are going to make the resources available if you do not give a clear, strong signal for encouragement to savings and discouragement to dissavings.

SHRI ARUN SHOURIE: I completely agree with Shri Pranab Mukherjee on his emphasis on domestic savings and the range of incentives which were proposed and which have been acted upon. But I would like to touch upon two points of fact on which he asked the question. The first point was whether there is a single year in which the revenue estimates had not to be revised. Sir, I will look at that and come back to the hon. Member and others, if they like, on this particular point. I will look at it—if you pardon me—not just for three years, but for earlier years also. (*Interruptions*)

SHRI PRANAB MUKHERJEE: I am telling you for your information that the last year when the revenue realisation was more than the BE, was 1995-96. I have the figures. If you want, I can give them to you readily. From 1996-97 onwards, it is going down.

SHRI ARUN SHOURIE: Very good, Sir. We already have a part

of the answer. But I will look at it because actually it is a fact about the estimate, revised estimates, and actuals. I had myself requested the Institute of Public Finance to help us do a complete study on this because as you know, in the Reserve Bank of India's studies on State Government finances and Centres' finances, this point is being emphasised many times. But I will come back with a complete statement to you on that. Second point was on the question of planned expenditure. I will mention only two points. The Planning Commission, in the last one-and-half years has made a studious and stern attempt to make the allocations and estimates more realistic. It is for the first time that in agreement with the Ministries as well as with the State Governments a concept of core Plan has been introduced so that these great, high figures do not become a cause of dispute that the Planning Commission has agreed to this much, but that is not done, and much more realistic figures are given out. I remember, Sir, in one case, the figure shown was almost Rs. 11,000 crores for the State Plan, and it turned out to be about Rs. 5,000 crores only in the actual expenditure. This practice of preceding years which had been growing, has been put an end to, and we are giving much more realistic estimates—both in regard to Plan expenditure and resources. Sir, there are two points in this. If we want Plan expenditure to grow and these resource estimates to come true, we must stop preventing each other from raising those resources. If you raise electricity rates in some place and the Members from this side prevent you from doing so; if we do something on railway rates and others prevent us, then, naturally, those resource estimates will not come true. This is exactly what is happening. I can give you those figures. Mr. Mukherjee knows about these figures well because I had sent him many of the papers in the Planning Commission directly. But, Sir, that is one point. I know, this year's Budget mentioned an earnest estimate on disinvestment. If there are no obstacles, Rs. 12,000 crores can be raised, but if the kind of miasma which has been created continues, naturally, we will not be able to achieve that figure. Then you will say the estimate was wrong. This is one point. The second point is this. As has been emphasized in great detail in the Mid-term Review, it is not just absolute

[2 August, 2001]

RAJYA SABHA

absolute expenditure, but the quality of expenditure which we should all focus on. On that also, we should attempt a discussion at some stage. I can give you many illustrations that are already there in the published document.

MR. CHAIRMAN: We have spent nearly 40 minutes on this question. It is a very important subject. I would like to say that if the Government agrees, we could have a full discussion only on this subject.

THE MINISTER OF EXTERNAL AFFAIRS AND MINISTER OF DEFENCE (SHRI JASWANT SINGH): Mr. Chairman, Sir, I wish to say that the Government has greatly benefited from the concerns that have been expressed on the questions that have been raised by the hon. Member, the learned leader, Shri Pranab Mukherjee, and also other Members. It is unusual for me to make such a recommendation during Question Hour, but I do recommend it for your consideration, Sir, and, indeed, for the consideration of the entire House that let there be a one full day or two days' or any number of days' discussion on the Plan, and let all these concerns be addressed at that time.

SHRI PRANAB MUKHERJEE: Sir, I wholeheartedly welcome this suggestion made by the Leader of the House.

MR. CHAIRMAN: Now, next question.

SHRI JIBON ROY: Mr. Chairman Sir ...(*Interruptions*)

MR. CHAIRMAN: No, no. Already, forty minutes have been spent on this question.

SHRI JIBON ROY: Sir, on the issue of economy, we have specific understanding; therefore, at least, some of us should be called. Sir, we have a different understanding than that of the Right and the Left, on the issue of economy. At least, somebody should be called from our side. This is my humble submission to you Sir.

MR. CHAIRMAN: No, no. Not today. Already 40 minutes have been spent.